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## WELFARE SERVICE FOR EMPLOYES

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Within the last fifty years, the development of new industries and the expansion of old ones have necessitated concentration into larger industrial units. The small factory and workshop, the individual proprietor and his few employes, are becoming less frequent components of modern business. With this increase in the number of workers and the amount of capital under one management, a development that has called for leaders of constructive initiative, has come a change in the conditions surrounding the worker.

This change in working conditions has been of two kinds,—that forced upon the employer and that voluntarily granted by him. The first grouping comprises those changes brought about through legislation,—such as laws limiting the hours of labor, those providing for the sanitation of factories, for compensation for industrial accidents,—and those brought about by employes themselves through strikes and through arbitration and conciliation.

Our immediate concern has to do with the second grouping, those changes voluntarily granted by the employer. Such efforts on the part of some employers to improve the conditions of their employes in the workshop and in their homes have been known, no single term being uniformly accepted, as industrial betterment, welfare work, and service for employes. The range of the activities and the fact that the field is not fixed have made simple definition difficult. There is little uniformity in the efforts and plans of the employers who have undertaken this work. Because of the fundamental consideration that the work be done voluntarily, the field is constantly changing. If the service given by some employers is made statutory and all employers within the jurisdiction of the legislature are compelled to furnish it, in such states it can no longer be considered welfare work. This is the case, for example, in compensation for industrial accidents, formerly given voluntarily by some concerns, now compulsory in many states through a workmen's compensation law. Moreover, it must be in addition to, and

not a substitute for, such wages, hours of labor, and working conditions as are prevalent in the community in which it is undertaken. Welfare work may therefore be defined as that service given by employers to their employes, beyond the requirements imposed by law or forced by employes, and in addition to the conditions of employment prevalent in their community.

#### WELFARE WORK THAT IS BEING DONE

Although welfare work is by no means a new thing, it has had its greatest development within the past few years. It has unquestionably existed wherever an employer was particularly farsighted or unusually interested in the well-being of his employes. We find records of special provision and care in some of the old apprenticeship contracts and in the work of Robert Owen at New Lanark, to quote only two examples. But welfare work on a large scale, even at the present day, is spreading but slowly to include those engaged in agriculture and domestic service. It has been extended principally to those employed in transportation and in manufacturing and mercantile establishments, and, in spite of its recent growth, it is as yet affecting only a comparatively small percentage of these workers. But the fact that it is spreading under the guidance of acknowledged industrial leaders indicates that it is becoming an integral part of modern industry.

The welfare activities undertaken by employers are varied. No one employer has attempted all of them. Some have gone far beyond the requirements of the law in providing sanitary factories; others have extended their interest to include the housing of their employes. Some have emphasized the need of safe workrooms; again others have put stress upon safe workers. The development has been sporadic. There has been slight uniformity either according to industry or locality. Certain employers have done intensive welfare work. For instance, with the health of the employe as their principal interest, they have provided medical care, with sanatorium treatment and various kinds of clinics. Other employers have done extensive work. One industry, for example, which has developed its own industrial community, includes the housing, recreation and education, not only of its employes but of their families in its scope of activities.

Four problems of prime importance,—the workplace, vacations,

wage-payments, and employment and discharge,—usually are given first consideration by employers. With the aid of modern engineering knowledge, attention is being given, in erecting new buildings and remodeling old ones, to facilities for light, heat, ventilation and protection from fire and from dangerous machinery. In the matter of light, for example, the placing of the machine is determined by the location at which the operator will receive the maximum natural light without injury to his sight. Again, the heating of the work-room is determined by that temperature which assures the maximum energy of the worker.

An increasing number of employers are beginning to recognize the importance of vacation periods. In many manufacturing establishments the period of stock-taking and repair is made a compulsory vacation for the majority of the employees. Vacations with pay are becoming more common, although, as a general practice, this advantage has been extended only to office employees. In some industries provision is made for regular rest periods during working hours.

Some fundamental improvements have been made in the matter of wage-payments. The cash payment is replacing the check, a change which does away with the petty graft that accompanies the cashing of the check. The frequency of payment has been arranged to fit the current needs of the worker. Pay-day has been selected with a view to encouraging saving.

A great deal has been done by some employers to simplify, for the worker, the problems of employment and discharge. One step has been to exercise greater care in choosing employees. The object is to keep persons from entering an industry for which they may not be physically or mentally qualified. Where this care in selection is accompanied by a physical examination, the health of those already employed is also protected. Consideration is given to the aptitude of the applicant in order to assure him work that will be congenial. The power of discharge is being taken out of the hands of the individual foreman and centralized. Thus unfriendliness on the part of a foreman, or the inability of two workers in the same department to agree, need no longer be cause for loss of position. Adjustment of differences or the shifting of the troublesome worker to another department is a more far-sighted solution of the difficulty.

In addition to these activities, employers have concerned them-

selves with conditions in their employes' lives. It is impossible in so short a statement as this, to go into detail in regard to the plans in force in this type of welfare work. The following summary will give, perhaps, some idea of the extent of these activities:

- 1—Medical Work (a) Preventive: (1) Medical Examinations (on entrance and annual)
  - (2) Rest Rooms
  - (3) Washing and Bathing Facilities
  - (4) Home Nursing
  - (5) Lunch Rooms
- (b) Curative
  - (1) Dispensaries and Hospitals
  - (2) Special Clinics (Optical, Dental, etc.)
  - (3) Tuberculosis Care
- 2—Savings and Insurance: (a) Loans—(1) Remedial
  - (2) Building
- (b) Insurance—(1) Sickness
  - (2) Life
  - (3) Old Age
- (c) Profit Sharing
- (d) Savings Plans
- 3—Recreational Activities: (a) Clubs and Association
- (b) Entertainments, Concerts, etc.
- 4—Education of Workers: (a) Training for Jobs
- (b) Training in Jobs
- (c) Training in Citizenship
- (d) Promotion and Records
- 5—Care outside of Working Hours: (a) Housing
  - (b) Recreation
  - (c) Care of Families

In this group the prevailing interest, and consequently the present greatest development, seems to be in medical care for employes. In the growth of welfare activities in an institution doing a wide variety of welfare work, this has usually been the starting point; other efforts have followed. Should a general plan of health insurance develop, it seems probable that this will be even more generally true.

#### REASONS FOR WELFARE WORK

There are a number of plausible reasons to offer for the undertaking of welfare work by employers. Some have been offered by the friends of welfare work, others by those opposed to it. It is

hardly likely that the interest of any employer in welfare work can be traced to any one reason alone.

The pride of the individual owner in the plant that he controls and his personal interest in his employes play an important part in the beginning of welfare work. This is especially true in communities controlled, in large measure, by a single industrial organization.

A more important cause, and one that we like to believe is true of welfare activities now beginning, is the development of social vision among owners and managers. It is the worker's present labor that is being exchanged for wages; not his future earning power. When President Wilson, during the recent railroad controversy, stated that labor is more than a commodity because a man's labor is part of his life, he put this conviction into words.

A reason of some weight that can be given as one of the causes of welfare activities is that industry has begun to appreciate the importance of the human factor in production. This has been a result of the modern need of efficient management. Machines alone do not do the work. The loyalty and interest of a stable labor force are essential to the securing of maximum production in large quantities. Welfare work emphasizes the human element in industry and does away with the concept of men as machines. It wins the loyalty and interest of the workers. Among progressive organizations this has caused an increasing consideration of welfare work. In industrial centers, during times of prosperity, there is competition for high-grade workers. It seems likely that welfare activities attach employes to their plant and help attract new workers. In this connection it may be of interest to refer to an advertisement that appeared recently in the newspapers of New York City, asking the services of a hundred workers, and placing all emphasis upon the advantage offered in cheerful and sanitary working conditions, rest rooms and lunch-room facilities, with extras at cost.

It has, in fact, been the contention of labor leaders that employers begin welfare activities for a stronger reason than that they think it pays. They claim that employers use welfare work as a club against employes' organizations. Some support was given to this view in the recent railway struggle when a few officials urged their employes to refrain from striking, since by so doing they would sacrifice all rights to the savings and pension plans of the company.

However, it is very doubtful that the inception of welfare work in any industry was done solely with the desire to destroy or forestall union activity.

It has likewise been stated by those who are unfriendly to welfare activities that it has been given as a substitute for wages. Here again it is doubtful whether the initial object was to keep wages low. Welfare activities are not inexpensive undertakings. The wages paid by organizations doing welfare work usually bear comparison with others in the same field of industry.

Another reason for the development of this service for employees by organizations like public service corporations and others supervised by public bodies may be to secure the support of the public.

#### RESULTS OF WELFARE WORK

What has welfare work accomplished? Has it benefited industry, the worker, and the community? Undoubtedly, it has gratified the pride of many an owner in his establishment. And, too, where social vision may have been at the root of much welfare activity, welfare work has more likely developed the social point of view in employers who began these activities for other reasons.

Industry, however, is seeking more tangible results from its welfare work than this. Unfortunately, at this time, it has not produced comparable figures of increased production or reduced costs. Individual instances there are where a discriminating choice of employees, coupled with the care of those employed, has resulted in an increase in output, but there has been no analysis of the results of a large number of those organizations which have undertaken welfare work. In spite of this lack of figures, the pioneers of welfare work have faith in its usefulness. They claim that it justifies its cost when it stabilizes the labor force. Absence from any cause,—be it sickness, accident, lack of interest,—is expensive. A little dispensary care may prevent an illness; glasses for an operator may eliminate his spoiled work, and so on. Employers claim also that welfare work pays when it has awakened the interest of the employee in his work.

Efforts to arouse the worker's interest have proved of great benefit to the employee himself. Working conditions have been improved; efforts are made to eliminate preventable accidents and sickness; coöperative provision is made for these contingencies

when they occur. Worry over the future is removed by the reduction of the fear of incapacity, and of loss of position.

The community requires two things, maximum production and healthy, contented workers. Welfare work is based upon the supposition that these two go hand in hand. It will be of value to the community as it develops both. As yet, except in isolated instances, welfare work has been too limited to warrant the statement that it affects the community appreciably. But any efforts of this kind seem of community value since they set a higher standard for industry, and lead the community to raise the minimum set by law.

#### THE FUTURE OF WELFARE WORK

Although welfare work has been of value to employers, to employes, and to the community, it must be widely extended if it is to play an important part in the development of American industry. A much larger percentage of workers must be affected, not necessarily by all existing forms of welfare work but by such kinds as prove to be of first importance. Even in those organizations which are already interested in welfare work, there is room for development in these activities. Welfare work is still too new to have been perfected by any organization.

If the standards of industry for its workers are to advance beyond the minimum standards fixed by law, two developments are essential. There must be analyses of the results of welfare work so that it may be apparent to doubting employers that welfare work pays. There must be a democratizing of these activities in order to overcome the hostility and criticism of the workers.

Welfare work has passed through its first stage, that of experimentation. The second period, one of interpretation and evolution, has been reached. The future of welfare work depends upon the results of this scrutiny. If welfare work is shown to be of value, if it can be co-related to successful management, it will enter into its third period, that of extension and expansion.

More important, perhaps, is the problem of making welfare work democratic. At present, most of this work is controlled by the employers who have interested themselves in it. This has called forth the criticism that employes need a share in the control of these activities and partial responsibility for their management. Experiments in this direction are already being



made, especially in mutual benefit associations. In these the employer frequently assists in the formation of the organization, makes contributions to its funds and makes suggestions for its guidance. Welfare work so managed is training in the fundamentals of democracy,—coöperative activity and mutual responsibility.

Welfare activities must not be utilized to thwart the aims and purposes of organizations of employees. Should this be the case, welfare work would rightly merit the hostility of labor leaders to which it is now occasionally subjected. Again, improved working conditions are never a substitute for reasonable hours or decent wages. Any other premise would at once eliminate welfare work as a proper activity of industry.

Welfare work has had a remarkably rapid development. It has done much to improve the conditions of labor for many workers; through it legal minimum standards have been raised. It must now face and solve a number of serious problems if it is to continue to grow. It is to be hoped that it can do so because the humanizing of industry for which it stands is one of the progressive developments in the present period of social unrest.